



DEPARTMENT OF THE ARMY
OFFICE OF THE SECRETARY OF THE ARMY
1215 ARMY PENTAGON
WASHINGTON, DC 20310-5111



May 29, 2002


MEMORANDUM FOR THE ASSISTANT SECRETARY OF THE ARMY
(ACQUISITION, LOGISTICS AND
TECHNOLOGY)

SUBJECT: Implementation Plan for Army Contracting Agency (ACA)

The implementation plan for establishing an Army Contracting Agency (ACA) submitted April 12, 2002 is approved. You may proceed with provisional establishment immediately and full establishment on October 1, 2002. There are still several issues that must be resolved prior to full establishment of the ACA

- **Small Business Program.** All Small Business Program personnel from organizations transferring contracting functions to the ACA will also transfer to the agency. Section 8.2.1 (Small Business Program) will be rewritten to incorporate this change as well as address assignment and responsibility for achievement of small business goals. This updated plan will be submitted no later than June 15, 2002.
- **Projected Savings.** You have projected to achieve a 20% manpower savings between FY04 through FY06 at the installation level. You intend to use those savings to offset initial increases at HQ ACA, Northern and Southern Regions, and ITEC4 leaving a 10% net savings. Please provide your baseline, planned realignments to HQ ACA, Northern and Southern Regions, and ITEC4, and time-phased savings no later than August 1, 2002. As with other realignment changes, the ACA organization will be reviewed by the Army Audit Agency to track compliance and savings.
- **Contingency Contracting.** One of the goals for establishing the ACA is "to centralize the management of the personnel and processes involved in contingency contracting." However, not all contingency contracting missions will come under the control or oversight of the ACA. This could lead to duplication and lack of unity of effort. The ACA should develop a plan to incorporate all Army contingency contracting missions under their control not later than FY04.

The ACA plays an important role in the success of the Installation Management Activity and the Network Enterprise and Technology Command, which will also be established on October 1, 2002. To ensure proper communication and coordination, I ask that you establish full-time leadership for this Agency immediately.



John W. McDonald
Deputy Under Secretary of the Army